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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT is made this 16th day of 36ptent ber	, 2008, by and between
Buby Harris Stoya widow	
whose address is 4212 AK MS TONG FOR LUCT TEXCS 161 and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1970 Daltas Texas 75201, as Less hereinabove named as Lessee, but all other provisions (Including the completion of blank spaces) were prepared. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor here described land, hereinafter called leased premises:	ee. All printed portions of this lease were prepared by the party red jointly by Lessor and Lessee.
	, BLOCK,ADDITION, AN ADDITION TO THE CITY OF ORDING TO THAT CERTAIN PLAT RECORDED CORDS OF TARRANT COUNTY, TEXAS.
in the County of Tarrant, State of TEXAS, containing • Ib gross acres, more or less (includ reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing substances produced in association therewith (including geophysical/seismic operations). The term "gas commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this land now or hereafter owned by Lessar which are contiguous or adjacent to the above-described leased premises are grees to execute at Lessae's request any additional or supplemental instruments for a more complete of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall	s" as used herein includes helium, carbon dioxide and other lease also covers accretions and any small strips or parcels of mises, and, in consideration of the aforementioned cash bonus, or accurate description of the land so covered. For the purpose
2. This lease, which is a "paid-up" lease requiring no rontals, shall be in force for a primary term of as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the otherwise maintained in effect pursuant to the provisions hereof. 3. Royalities on oit, gas and other substances produced and saved hereunder shall be paid by Leasee separated at Lessee's separator facilities, the royalty shall be **NEAHY-FIVE PERCENT**** Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lesse the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the prevailing price) for production of similar gratie and gravity; (b) for gas (Including casing head gas) at **Takehy-Five Percent***** ———————————————————————————————	e leased premises or from lands pooled therewith or this lease is to Lessor as follows: (a) For oil and other liquid hydrocarbons —%) of such production, to be delivered at Lessee's option to be shall have the continuing right to purchase such production at a same field, then in the nearest field in which there is such and all other substances covered hereby, the royalty shall be a thereof, less a proportionate part of ad valorem taxes and therwise marketing such gas or other substances, provided that did for production of similar quality in the same field (or if there is side) pursuant to comparable purchase contracts entered into on (c) if at the end of the primary term or any time thereafter one or er substances covered hereby in paying quantities or such wells not being sold by Lessee, such well or wells shall nevertheless to consecutive days such well or wells are shut-in or production overed by this lease, such payment to be made to Lessor or to one before each anniversary of the end of sald 90-day period overed by this lease, such payment to be made to Lessor or to one before each anniversary of the end of sald 90-day period out-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period nut-in royalty shall be due untill the end of the 90-day period
pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event nevertheless remain in force if Lesses commences operations for reworking an existing well or for drilling an on the lessed premises or lands pooled therewith within 90 days after completion of operations on such dry in the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or there is production in paying quantities from the leased premises or lands pooled therewith. After completion to develop the leased premises or lands pooled therewith as a reasonably prud to (a) develop the leased premises of formalions then capable of producting in paying quantities on the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therevial additional wells except as expressly provided herein. 6. Lessee shall shave the right but not the obligation to pool all or any part of the leased premises or in depths or zones, and as to any or all substances covered by this lease, either before or after the commen proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling aunit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 840 acres plus a maximum acreage tolerance of 10%; provided that a completion to any well spacing or density pattern that may be prescribed or permitted by any gove of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "greet or more per barrel, based on 24-hour production test conducted under normal producing conditions, defined the term "h	I this lease is not otherwise being maintained in force it shall additional well or for otherwise obtaining or restoring production. If a sout Lessee is then engaged in drilling, reworking or any other long as any one or more of such operations are prosecuted with gas or other substances covered hereby, as long thereafter as no of a well capable of producing in paying quantities hereunder dent operator would drill under the same or similar circumstances leased premises or lands pooled therewith, or (b) to protect the with. There shall be no covenant to drill exploratory wells or any or all interest therein with any other lands or interests, as to any or all interest therein with any other lands or interests, as to any or all interest therein with respect to such other tands or interests. The is a maximum acreage tolerance of 10%, and for a gas well or a larger unit may be formed for an oil well or gas well or horizonta is using standard lease separator facilities or equivalent testing is using standard lease separator facilities or equivalent testing the gross completion interval in the reservoir exceeds the vertication describing the unit and staling the effective date of pooling and premises shall be treated as if it were production, drilling of the other the extent such proportion of unit production is sold by shall have the recurring right but not the obligation to revise any cition, in order to conform to the well spacing or density pattern oreage determination made by such governmental authority. In the effective date of revision. To the extent any portion of thereaft assation thereof, Lessee may terminate the unit by filing of recompany to the effective date of revision. To the extent any portion of the research thereof, Lessee may terminate the unit by filing of recompany to the extent such proportion to the vention of the position of the positio

- * 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in
- of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

 8. The interest of either Lesson or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lesson's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lesson has satisfied the notification requirements contained in Lesson or division order. In the event of the death of any person entitled to shut-in royalties to the gradit of decedants or developing deviated in the deposition determined to the property of the december of the deposition of the property developing developing determined to the property of the december of the deposition of the property developing d until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee Iransfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferree in proportion to the net acreage interest in this lease then held by each.

 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or untilized herewith, in
- in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and markeling oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial limber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during
- equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shalf be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by Inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by Inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in witing of said offer immediately, including in the police the gain and address of the offeror, the price offered
- Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described nerein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No fitigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable
- written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is ittigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend little conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or tiens existing, levied or assessed on or against the leased premises. It Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and in addition to its other rights, may reimburse itself out of any royallies or shut-n royallies of therewise payable to Lessor hereunder. In the event
- whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished salisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- operations.
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) ly Hang & Muby Harris Stou Ву: ACKNOWLEDGMENT STATE OF 2008. KISHA G. PACKER POLK Public, Stale of TEX Notary Notary Public, State of Texas My Commission Expires Notary's name (printed): Notary's commission expires: April 1,5, 2012 Made was a series of the series of STATE OF COUNTY OF 2008 This instrument was acknowledged before me on the day of Notary Public, State of

Notary's name (printed): Notary's commission expires:



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>

Filed For Registration:

12/08/2008 01:10 PM

Instrument #:

D208448138

LSE

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\$20.00

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D208448138

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